

Big Chains Reapportion Ad \$\$; Direct Mail Gains

Nationwide DSN Report

A faltering economy and the increasing costs of doing business are forcing discounters to re-examine their ad budgets.

What most have decided is that now is not the time to cut budgets (even if the sales figures to which ad budgets are pegged are showing reduced gains due to the lagging economy). The time has come, they say, to identify nonproductive dollars and to shift priorities in order to make dollars work harder.

For the larger chains, this scrutiny is leading discounters to bank more heavily on direct mail advertising.

Many discounters report they are relying more on zip-code demographics to help them locate their customers. In these cases, retailers are taking preprint inserts from newspaper circulation routes and mailing them directly to the homes and apartments of the

most desirable target customers. Consumer response, they say, will offset the higher mailing costs.

Among the smaller chains, a move is on to beef up insert frequency schedules, and in some instances to improve the look and format of the tab by adding color or scaling down the number of items in the ad. (Here,

For discounters' ad linage, market by market, see p. 25.

the philosophy reflects attempts by discounters to promote those items most readily identified by consumers as good values, and to keep gross margin losses to a minimum by limiting the number of promotional items.)

Among the larger chains, K mart and Zayre—as well as J. C. Penney's Treasury discount store division—have shifted ad dollars into direct

mail. The trend is easily spotted in Atlanta where figures released by the *Atlanta Journal and Constitution* show discounters are abandoning ROP advertising in favor of direct mail campaigns and better targeting of weekly shoppers.

In addition, K mart has pulled all of its ROP advertising from the Boston Globe in favor of a comprehensive direct mail program, according to a Globe spokesman who reported that to date the industry's largest chain had run none of the 236,000-line insert program it carried in the first four months of last year.

Zayre has also increased its commitment to direct mail.

Among the markets affected

by the shift are Atlanta, Chicago and Houston. Although, according to a chain spokesman, "we're not shifting our market commitments, we're making our dollars work harder." He added that decisions to shift ad priorities came from headquarters rather than from local managers.

At Penney's Treasury stores (Treasure Island in Atlanta) much of the change in the chain's advertising strategy stemmed from the recent (central) reorganization. With a move to Los Angeles came the establishment of a central advertising department.

In Atlanta, particularly, a 200,000-line cutback in the first part of this year indicated a

shift to Penny Saver and direct mail advertising, as well as a more closely monitored ad program, according to Michael Scotto, sales promotion manager.

(In Atlanta, a similar line cutback for Woolco reflected that chain's upcoming withdrawal of two of its three stores in the market. See story page 1.)

"Last year, managers in each market were buying ads," Scotto explained. "We were also committed to a 12-page tab program then." Today, with the shift to centralized management has also come a shift to six-page inserts.

"We run an average of one full (Continued on page 25)

Wal-Mart's '80 Goals: \$1.5B-\$1.6B Biz, 50 Openings, Merchandising Refinements

BENTONVILLE, Ark.—The emphasis was on growth plans and merchandising refinements at Wal-Mart's annual meeting, held at chain headquarters in this northwest Arkansas town.

The chain continues to plan approximately 50 new stores a year, according to executive vice president David Glass, adding 20% to 25% more selling space each year. In response to a question from the audience, Glass predicted "sales of \$1.5 billion to \$1.6 billion" in the current fiscal year (ending 1/31/81).

Merchandising refinements were pointed out during a tour of the nearby Rogers, Ark., store, which along with units in Moore, Okla., and Pine Bluff, Ark., is used to test new merchandise presentations. Al Johnson, senior vice president, merchandise, gave a detailed report on several categories in which Wal-Mart expects substantial gains:

- Ceiling fans will get operating displays in five sku's, with price points ranging from \$59 to \$129, some tests as high as \$200;
- Electronic toys ("expected to be the bulk of the toy market by the mid-1980's") will get 34 sku's;
- Roller skates, "newly popular in our markets," according to Johnson, are planned to hit 70,000 pairs;
- Diet aids are "exploding," and will get 8 to 41 sku's, depending on location;
- Bicycles, in 17 sku's, are expected to hit 120,000 units in 1980;
- Other categories looked to for growth in Wal-Mart stores

include wicker, import car accessories, ladies' fashion sportswear, western hats, and Wrangler products, where "unit movement will triple in 1980," according to Johnson.

Chairman Sam Walton, citing 1979's results (sales up 39%, 16% on a same-store basis),

first-quarter results (sales up 32% and 12% in identical stores) and equally impressive May figures (31% and 12%) expects the first three quarters of 1980 to be strong.

"The fourth quarter will be difficult," Walton added, (Continued on page 31)



Chairman Sam Walton emphasizes a point during annual meeting at Wal-Mart's Bentonville, Ark., headquarters. Fiscal-year volume of \$1.5 billion to \$1.6 billion is projected. (DSN photo)

Gee Bee Dresses Up Its Apparel Presentation

JOHNSTOWN, Pa.—Glosser Brothers, altering the tack taken by many other leading discounters, is reorienting its soft lines toward a more upscale market while pushing harder than ever with bargains on hard lines.

Three stores opening this year will have race tracks, new fixturing and carpeting—bringing to four the number of Gee Bee stores with an increased emphasis on presentation.

(Despite high interest rates there have been no cutbacks from initial new-store projections. Originally there were to have been only two new stores this year but the third was added when an independent discounter in Selingsgrove—Plaza Store—closed earlier this year.)

All four, and many of the 17 other Gee Bees scattered throughout Pennsylvania, Maryland, Ohio and West Virginia, are also featuring hard line bargain counters in the race tracks and cross aisles for the first time.

"We feel that our customers have traded up in what they are looking for in the way of apparel and we are just trying to follow

them," explained Hal Cooley, director of store operations. "But, we want to be certain that we're also maintaining our image as a discounter."

Within a year, Cooley said, a decision should be made whether to install the race tracks, paneling and improved lighting in all Gee Bee stores.

Both Cooley and president Leonard J. Black said it is hoped the changes will further improve Glosser Brothers' financial standing, which received a generally favorable rating from Paine, Webber, Miller, Hutchins, in a broad discount industry performance analysis.

Glosser Brothers was fifth in sales per store with an average of \$6.2 million last year, according to Paine Webber. FedMart topped the list with sales averaging \$15.0 million and K mart was third with \$7.8 million.

(Glosser did even better in sales per square foot, coming in third with an average of \$116. Only K mart with \$128 and FedMart with \$199 did better.)

The first of the units to get the new look was a 14,000-sq.-ft. soft lines-only store that (Continued on page 29)

Dolginow Out, Sidders Up at MM

Carlson Buys 8.6% Share Of Modern Merchandising

MINNETONKA, Minn.—Modern Merchandising lost a president and gained a major new stockholder at presstime.

Yale Dolginow resigned as president and chief operating officer, posts he has held since July 1978, to "pursue other business opportunities."

The Carlson Companies, a privately held conglomerate which already owns the Naum and Ardan catalog showroom chains, disclosed its ownership of 8.6% of Modern Merchandising's stock. Carlson bought 696,212 shares "for investment purposes," according to a Carlson spokesman, during an approximately three-week period starting in mid-May, for \$8,075,286.50, or an average of \$11.50 a share.

Dolginow's resignation came

a week after Modern Merchandising, third largest showroom chain and parent of Creative Merchandising and Publishing, the leading catalog coordinator, promoted Patrick Sidders from treasurer and vice president—finance to executive vice president. He continues to head up the company's finance department and takes on new responsibilities in the operations area.

Carlson's stock acquisition makes that company the second largest holder of Modern Merchandising shares after Harold Roitenberg, founder, board chairman and chief executive officer, who owns 1,225,064 shares or 15.11%.

Executives of both companies have acknowledged that there were "periodic discus-

(Continued on page 30)



Yale Dolginow



Patrick M. Sidders

Ready-to-Wear Wraps Up 15% of Showrooms' Biz In 5-Unit Test at David Weis; Expansion Planned

MONROEVILLE, Pa.—The experimental ready-to-wear effort at David Weis Jewelers and Distributors (DSN: Feb. 11) has been so successful that chain president Alan Silberman said in the future he will be looking at larger buildings to house the addition of rtw to his mix.

Three months after a commitment of roughly \$40,000 and 3,000 sq. ft. of warehouse space per store, rtw is claiming 15% of total sales at the five Weis showrooms that carry it. Last year sales for the 13-unit chain were close to \$50 million, according to a company spokesman.

"It has shown us how to increase sales at a time when the economic cycle makes that hard to do," said Silberman, who initially expected the department to claim only 10% by December.

David Weis was introduced to rtw by Stanley Adelsheimer, who operates a chain of eight specialty stores in the Pittsburgh area, and by his wholesaler. Adelsheimer's Dimensions in Fashion stores became the prototype for David Weis Sportswear Fashions departments.

Adelsheimer explained why rtw's time has come for catalogers.

"To open a 3,000-sq.-ft. de-

partment in a store is not as big an investment as opening a 60,000-sq.-ft. catalog showroom."

Silberman has therefore upped minimum square footage for new showrooms from 40,000 to 45,000 or 50,000 sq. ft. to accommodate the new department.

Since April, rtw has been added in five of 13 David Weis showrooms, in State College, Indiana, Altoona and Greensburg, Pa., and Bridgeport/Clarksburg, W. Va. The eight other showrooms are in the Pittsburgh area, where Adelsheimer's stores carry similar

(Continued on page 5)

Bigger Discounters Shift Some Ad \$\$ to Direct Mail

(Continued from page 3)

ROP page a week now," Scotto said. "Last year at this time we averaged two-and-a-half full pages of ads a week."

In addition, centralization also brought an end to the chain's radio efforts which were tested successfully in several markets.

Still, the cutbacks do not stem from a reduced budget, but rather from a shift in priorities. Scotto added: "If anything, our budget is larger this year."

At Zody's, where the ad program (75% of which goes into direct mail) is making the chain's commitment to fashion-sensitive merchandising well-known, the upscale trend continues, according to Sanford

Linage Comparison For Major Markets

The following charts show discounters' ad linage in leading newspapers in various major metro markets across the country. Figures give daily and Sunday linage for the first part of 1979 and 1980.

ATLANTA

	1979*	1980*
K mart	736,264	545,407
Richway	390,307	221,146
Treasure Island	291,276	93,764
Zayre	75,754	43,060
Woolco	144,724	25,198

Source: Atlanta Journal and Constitution
*Jan. 1—April 30

BOSTON

	1979*	1980*
Lechmere	444,906	412,891
Caldor	311,045	287,955
Bradlees	223,493	273,701
Zayre	189,687	159,037
King's	100,730	71,036
K mart	235,968 ^a	5,739 ^a

Source: Boston Globe
*ROP only

^aInserts only

*Jan. 1—April 30

CHICAGO

	1979*	1980*
Venture	743,582	733,116
Woolco	467,728	595,952
Zayre	463,825	393,153
K mart	294,710	329,303
Community	227,150	240,171

Source: Chicago Sun Times, Chicago Tribune
*Jan. 1—May 31

DALLAS

	1979*	1980*
K mart	859,174	1,186,251
Target	564,533	592,510
Treasury	420,030	401,706
Woolco	296,321	301,086

Source: Dallas News, Dallas Times Herald
*Jan. 1—May 31

LOS ANGELES

	1979*	1980*
K mart	375,261	365,873
Treasury	333,831	269,990
FedMart	165,964	239,055
Zody's	16,558	44,062
Woolworth/		
Woolco	11,760	25,024
Gemco	5,262	14,660

Source: Los Angeles Times
*Jan. 1—April 30

NEW HAVEN

	1979*	1980*
Caldor	385,000	388,360
Woolco	214,144	197,596
K mart	218,652	190,120
King's	84,308	97,132
Barkers	62,272	86,478
Bradlees	80,738	19,628

Source: New Haven Register, Journal Courier
*Jan. 1—March 31

PHOENIX

	1979*	1980*
K mart	595,308	431,172
FedMart	332,164	366,352
Yellow Front	131,278	133,154
Gemco	58,548	61,222

Source: Phoenix Republic
*Jan. 1—May 31

Holzer, vice president, advertising. He added the chain is currently fine-tuning its tab format to underscore its decision to build a more fashionable image.

"We're not big in ROP advertising," Holzer said, adding that what little ROP space it buys goes into the evening paper, the *Examiner*, rather than the morning *Los Angeles Times*.

"We concentrate on direct mailing, letting population growth in each zip code dictate where we should be going and how big the size the mailing should be." These fluctuations were the result of a transient population. "In California, everyone moves on the average of once every five years."

Holzer added that the chain mailed approximately three million circulars each week.

This year, the chain's ad budget has been increased, in part to allow it to step up its broadcast advertising. Although Holzer declined to comment on the magnitude of the increase,

he did say the new funds would allow the chain to go after higher gross rating points—indicating a move closer to prime-time viewing hours.

The change in market conditions is also forcing smaller discounters to take a more aggressive advertising stand.

Big K, Ayr-Way, Gee Bee and Sky City all changed their preprint programs during the first half of this year.

Big K, whose sales have been in a serious slump for some time, is digging in with a more aggressive ad schedule. According to Gary Cunningham of Newspaper Printing Co. (representative for the *Nashville Tennessean* and the *Banner*), the chain will nearly double its insert frequency this year. Last year the chain ran 20-25 inserts. In the first four months of this year, however the chain's ROP linage has increased by only 2%-3% over the same period last year.

Gee Bee, according to a spokesman, will also be incurring more ad expenses this year

by adding roto color to its inserts—scheduled to run approximately once every two months. Sky City is currently

shaving inches off its ROP ads to find extra dollars to divert into preprint advertising, a spokesman noted.

Court Lets Stand Decision Making Chain Liable For Co-op Ad Claim

WASHINGTON—A blow against co-op advertising was struck by the Supreme Court when it refused to overturn a lower court decision involving the Pay 'n Save Corporation.

The Supreme Court recently let stand a decision by the Court of Appeals which upheld the strict liability standard against the West Coast drug chain. The principles involved, however, could apply in the future to discounters and other retailers.

The case arose after the Federal Trade Commission alleged that Porter & Dietsch, manufacturer of the X-11 diet pill, the advertising agency which prepared co-op ads, and Pay 'n Save were in violation of the FTC act which prohibits false and misleading advertising. All three were ordered by an FTC administrative law judge to cease and desist from advertising the diet pills.

The decision was appealed and the U.S. Court of Appeals for the Seventh Circuit ruled that although Pay 'n Save had no active part in the preparation of the co-op advertising, its lack of knowledge of the false and misleading claims did not constitute a defense.

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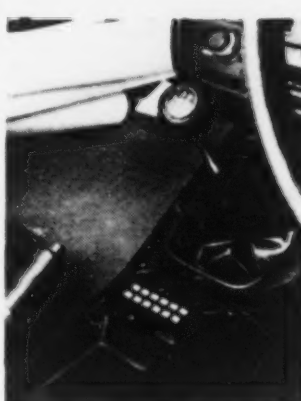
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HEALTH & BEAUTY AIDS

Figures are for the Feb. 4-May 4 period, and were supplied by Boston Distributors, a division of Cook United, Maple Heights, Ohio. The firm covers 320 stores, including 290 discount department stores in 18 states. Average retail prices listed by the distributor reflect typical price points for discount clients.

\$ Rank	Item	Unit Movement	Average \$ Retail	Total \$ Movement
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RINSES & CONDITIONERS

1	Vidal Sassoon Finishing Rinse 8 oz	11,124	2.60	28,922
2	Flex Balsam regular 16 oz	12,090	2.24	27,081
3	Silkience Conditioner Extra Body 15 oz	11,862	2.24	26,571
4	Flex Balsam with Body 16 oz	16,430	2.24	25,603
5	Vidal Sassoon Remoisturizer Creme 4 oz	5,724	3.60	20,606
6	Wella Balsam with Body 16 oz	9,048	2.00	18,096
7	Silkience Conditioner regular 15 oz	7,506	2.24	16,813
8	Clairol Condition Jar 4 oz	4,452	3.02	13,445
9	Agree Conditioner with Body 12 oz	6,948	1.82	12,645
10	Tame Conditioner Extra Body 16 oz	6,468	1.28	8,279

DIET PRODUCTS

1	Dexatrim capsules 28's	14,892	3.40	50,633
2	Dexatrim Extra-Strength capsules 20's	10,056	3.19	32,079
3	Prolamine tablets 20's	10,344	2.80	28,963
4	Permethene-12 capsules 24's	7,320	3.20	23,424
5	Dexatrim capsules 56's	3,798	5.59	21,231
6	Sweet N Low packettes 500's	3,570	5.60	19,992
7	Appedrine tablets 30's	7,968	2.39	19,044
8	Sweet N Low packettes 100's	11,592	1.16	13,447
9	Prolamine tablets 50's	2,016	4.79	9,657
10	Permethene capsules 48's	1,680	5.60	9,408
11	Dietac capsules 28's	2,022	3.96	8,007
12	Hungrex 21-day supply	2,880	2.55	7,344
13	Dietac capsules 14's	2,910	2.36	6,868
14	Ayds Candy Chocolate Fudge 24 oz	1,305	4.24	5,533
15	Ayds Candy Vanilla 24 oz	1,209	4.24	5,126

\$ Rank	Item	Unit Movement	Average \$ Retail	Total \$ Movement
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LOTIONS, CREAMS & MOISTURIZERS

1	Oil of Olay 4 oz	17,544	4.52	79,299
2	Oil of Olay 6 oz	6,702	6.16	41,284
3	Noxzema Cream jar 10 oz	16,446	2.32	38,155
4	Noxzema Skin Cream Special 14 oz	14,400	2.56	36,864
5	Vaseline Intensive Care Lotion 10 oz	18,516	1.80	33,329
6	Vaseline Intensive Care Lotion 24 oz	6,996	3.64	25,465
7	Porcelana Fade Cream 4 oz	3,672	6.60	24,235
8	Sassoon Moisturizing Lotion 3 oz	6,624	3.60	23,846
9	Keri Lotion 6.5 oz	7,332	2.60	19,063
10	Wet Ones Disposable Towels 70's	13,176	1.36	17,919

ANALGESICS

1	Anacin tablets 100's	27,918	2.14	59,745
2	Bufferin tablets 100's	19,998	2.52	50,395
3	Bayer Aspirin tablets 100's	26,280	1.85	48,618
4	Tylenol Extra Strength capsules 100's	8,244	5.36	44,188
5	Tylenol Extra Strength capsules 50's	13,482	3.20	43,142
6	Tylenol tablets 100's	13,848	2.96	40,990
7	Tylenol Extra Strength tablets 60's	12,288	3.20	39,322
8	Anacin tablets 200's	3,060	3.90	35,334
9	Bayer Aspirin tablets 300's	7,260	4.28	31,073
10	Bufferin tablets 225's	5,880	5.13	30,164

FIRST AID

1	J&J Band-Aid Plastic 60's 3/4 in	32,244	1.24	39,983
2	J&J Band-Aid Plastic 50's large	5,748	1.49	8,565
3	J&J Band-Aid Plastic 30's All Wide	5,184	1.49	7,724
4	J&J Band-Aid Sheer 50's large	5,076	1.44	7,309
5	J&J Band-Aid Sheer 30's All Wide	4,716	1.49	7,027
6	J&J Band-Aid Plastic 70's	3,552	1.97	6,997
7	J&J Band-Aid Sheer 70's	3,180	1.97	6,265
8	J&J Steri-pad 3x3 25's	2,652	2.00	5,304
9	J&J Gauze Bandage 3x5	4,038	1.28	5,169
10	J&J Band-Aid Plastic 3/4x3 100	1,440	3.20	4,608

(Continued on page 21)

Discount Store News



PRODUCT MOVEMENT AUDIT

TV Ads Spur Creme Rinses, Conditioners

By M. Raymond Prendergast
President,
Boston Distributors

New-product introductions, especially those accompanied by heavy television expenditure, are creating significant sales increases in several health & beauty aid departments.



The most notable example of this effect may be witnessed in the creme rinse and conditioner category, up 25% in movement over last year. The growth of this department was originally spurred several years ago by S. C. Johnson's introduction of Agree, now our No. 2 brand on the annual PMA (No. 10 for the Feb. 4-May 4 period covered by this PMA).

Sassoon then brought out its specialty line of products which augmented both shampoo and conditioner sales. The strength of Sassoon is illustrated by its placement of two sku's on this latest conditioner PMA. Gillette's introduction of Silkience, which also has two entries on this list, has provided additional sales.

Increased Competition

The big push this year will again be provided by S. C. Johnson. Its Agree brand owns the 15- to 25-year-old market but has little customer base among older women. Consequently, Johnson is bringing out Enhance and targeting it to the 25- to 40-year-old group. Johnson's strategy will be met head-on by Sassoon, Gillette, Revlon and other strong marketers struggling to protect their market shares. The result will be an increased sales base stemming from the new consumers of conditioning products as well as from more frequent usage by existing customers.

The retailer who responds to growth trends such as that displayed by the conditioner market will maximize his sales and profitability. Retailers who reacted to the phenomenal growth of the diet-aid category by expanding the footage and the advertising space devoted to diet products are now showing significant bottom-line increases in their total H&BA numbers.

Thompson Medical's heavy TV expenditure on its new introduction, Dexatrim Extra Strength, and its continued backing of the Regular Dexatrim and Prolamine have been key factors in the category's growth rate of 100%. Menley & James' introduction of Dietac, supported by heavy TV advertising, has also contributed significantly to the attainment of new consumers for diet-aid

(Continued on page 21)

We light up your life with profit.

Lights. Action. Get set to roll into the 80's with America's #1 selling motor oil. And here are the ABC's of the best motor oil program in the business.

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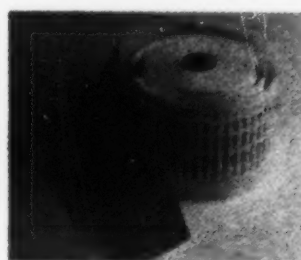
In 1979, Quaker State accounted for 32% of all mass merchandising motor oil sales. Quaker State is a dam buster. You get big-volume turns. And very low inventory costs.

New retail allowances with top of 125%.

Throughout 1980, you can earn more than your advertising costs. How? By featuring Quaker State motor oil and filters in the same ad. Or by featuring Quaker State exclusively in the category in a Grand Opening ad.

Grand Opening allowance.

Your first order for a new automotive retail outlet earns an additional 5% allowance with no ceiling on your order.



New product allowance.

There's also a 10% allowance for any Quaker State retail product not ordered by you in the previous 12 months. Again, with no ceiling on your order.

In-store displays.

You earn 100% allowance on a wide variety of point-of-purchase pieces. And the same goes for dozens of sales aids for giveaways during your special promotions. Check your distributor, supplier or account representative.

Display the full line.

Quaker State isn't just motor oil for cars, vans and light trucks. We make fine motorcycle, motor boat, snowmobile, transmission and gear

oils. Also greases, filters, and anti-freeze—all labeled with our famous name for quality protection.

Heavy ad program.

Quaker State advertises heavily on sports and prime time TV. And we do it all year long, not just for short periods. We spend big in 17 national magazines and on four radio networks. Our outdoor program is the largest in the industry. And we do it all to help you sell more.

Over 1500 warehouses.

While some of our competitors are closing warehouses, our network is expanding. You're never far from a Quaker State shipping point. Which means a Quaker State distributor can be your stockroom, and save you inventory money.

Now that you've seen the light...

Give us a call. Get all the details from your Quaker State distributor or Quaker State National Account Department. They're the #1 service team for the #1 selling motor oil.



Quaker State helps build profits.

Discount Store News



TV Ads Spur

(Continued from page 14)

products. Dietac (Nos. 11 & 12) is expected to rise rapidly in the PMA which is dominated by Thompson (Nos. 1, 2, 3, 5, 6, 9).

The fact that Permethane 12 from Alleghany (Nos. 4, 9) is increasing at a 25% rate without substantial TV support is evidence of the strength of diet-aid growth. The lotions, cremes and moisturizer group is presently yielding a 45% increase over last year's sales due primarily to the introductions of Porcelana, Sassoon's skin moisturizer line and Procter & Gamble's Wondra.

Although Wondra failed to cut into Vaseline Intensive Care's dominance over the lotions' segment, it did prompt TV and print advertising increases. We expect Procter & Gamble to expand its efforts this fall, and Chesebrough will most assuredly do whatever is necessary to safeguard its No. 1 spot.

Sassoon has finally demonstrated that another brand besides Oil of Olay may be successful in the moisturizer segment. Olay now holds the No. 1 and No. 2 positions but Sassoon has garnered the No. 8 spot with its 3-oz. lotion.

Sales Improve

Porcelana Fade cream, a new product from the Jeffrey Martin Company, has risen to the No. 6 spot in our survey by using TV wisely.

Sales this fall will be further augmented by Maybelline's entry into the market. The cosmetic company's introduction will consist of three excellent put-ups backed by an extensive advertising campaign. The battle between Maybelline, Olay and Sassoon will result in higher sales and profits for the retailer adequately prepared for the growth.

The number of new entries in the analgesic category would indicate that additional shelf space will be necessary to capitalize on the expected growth. Such may not be the best course of action.

McNeil's success in its extra-strength formulation and cap-sulized form has prompted other manufacturers to extend their lines in a similar fashion. Whitehall has introduced both maximum strength and a cap-sulized Anacin and Bristol Myers is out with Excedrin in capsule form. McNeil has even brought out its Tylenol regular strength in a capsule. These new products should be added as they will be advertised and they will enjoy consumer acceptance. The prudent retailer, however, will be selective in the new sizes bought, and will pare down the sizes carried in existing formulations.

A Gemco Remodels

GARDENA, Calif.—Gemco has completed the remodeling and refurbishing of its 102,000-sq.-ft. store here. A 12-day "open house" celebration marked the remodel.

HEALTH & BEAUTY AIDS

(Continued from page 14)

\$ Rank	Item	Unit Movement	Average \$ Retail	Total \$ Movement
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ANTISEPTICS

1	Solarcaine aerosol 3 oz	9,507	2.16	20,535
2	Solarcaine Lotion 6 oz	6,480	2.32	15,034
3	Sea Breeze Antiseptic 10 oz	5,532	2.24	12,392
4	Lanacaine Cream 2.2 oz	3,306	2.39	7,901
5	Bactine aerosol can 3 oz	2,766	2.32	6,417
6	Bactine squeeze bottle 4 oz	3,774	1.64	6,189
7	Unguentine aerosol 5 oz	2,328	1.95	4,540
8	Lanacaine Cream 1 oz	2,778	1.59	4,417
9	Neo-Sporin Ointment 1/2 oz	2,703	1.62	4,379
10	Caladryl bottle 6 oz	1,932	2.16	4,173

EYE & EAR PREPARATIONS

1	Barnes Hind Wetting Solution 2 oz	8,676	3.26	28,284
2	Visine Eye Drops plastic 15cc	9,846	1.68	16,541
3	Visine Eye Drops plastic 30cc	5,478	2.45	13,421
4	Barnes Hind One Solution 3 oz	2,946	3.28	9,583
5	Barnes Hind Soquette Soaking Solution 4 oz	2,886	2.76	7,965
6	Bausch & Lomb Saline Solution 8 oz	4,008	1.92	7,695
7	Soflens Cleaning tablets 24's	1,398	5.39	7,535
8	Barnes Hind Clean and Soak 4 oz	2,430	2.84	6,901
9	Liquifilm Wetting Solution 60cc	2,256	2.76	6,227
10	Barnes Hind Titan 2 oz	1,524	3.76	5,730

CONTRACEPTIVES

1	Encare Contraceptive Suppositories 12's	5,862	3.78	22,158
2	Delfen Foam Kit 20 GM	3,426	4.49	15,383
3	Conceptral Cream 6's	5,094	2.93	14,925
4	Predictor Pregnancy Tester Kit	1,800	7.96	14,328
5	Ortho-Gynol Refill Tube Large	2,196	4.69	10,299
6	Emko Kit 40 GR	2,244	4.28	9,604
7	Acu-Test Pregnancy Test 2 Pack	738	10.95	8,081

\$ Rank	Item	Unit Movement	Average \$ Retail	Total \$ Movement
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8	Ortho Creme Refill Large	1,512	4.69	7,091
9	Koromex Jelly Refill 138 GM	1,428	4.03	5,755
10	Semicid Contraceptive Suppositories 10's	1,464	3.89	5,695

FEMININE HYGIENE

1	Summers Eve Herbal Dapsbl Douche 2 Pack	14,232	1.19	16,936
2	Pamprin Tablets 24's	7,740	1.92	14,861
3	Summers Eve regular Dapsbl Douche 2 Pack	12,312	1.19	14,651
4	Massengil Dapsbl Douche Vngr & Wtr 2 Pk	11,148	1.31	14,604
5	Summers Eve Dapsbl Douche Vngr & Wtr 2 Pk	9,396	1.19	11,181
6	Midol Tablets 30's	6,498	1.71	11,112
7	Massengil Dapsbl Douche Regular 2 Pack	6,576	1.28	8,417
8	Pamprin Tablets 48's	3,120	2.64	8,237
9	FDS Spray Regular 1.5 oz	4,080	2.00	8,160
10	Massengil Powder Packettes 12's	3,180	2.32	7,378

SANITARY NAPKINS & TAMPONS

1	Tampax Super 40's	35,508	2.59	91,966
2	Tampax Regular 40's	23,844	2.59	61,756
3	Stayfree Maxipads 30's	17,424	3.28	57,151
4	Tampax Super Plus 40's	19,026	2.59	49,277
5	Kotex Super 30's	13,896	3.50	48,636
6	New Freedom Maxi Pads 30's	14,004	3.28	45,933
7	Stayfree Super Maxipads 30's	11,916	3.44	40,991
8	Kotex Regular 30's	9,648	3.50	33,768
9	Modess Super 40's	7,320	4.16	30,451
10	Stayfree Maxipads 12's	19,200	1.34	25,728

TRIAL SIZES

1	Aqua Fresh Trial Size PP 1.4 oz	82,512	0.39	32,180
2	Colgate Toothpaste Trial Size 0.75 oz	148,320	0.17	25,214
3	Vidal Sassoon Trial Size 6300	41,748	0.49	20,457
4	Ban Roll-on Trial Size 1 oz	14,964	0.89	13,318
5	Triple Lanolin Purse Size 0.75 oz	34,200	0.35	11,970
6	Lightdays Trial Size 6's	43,500	0.27	11,745
7	Baby Fresh Take Along 12's	25,200	0.45	11,340

Source: Boston Distributors

He's ours!

In an exclusive agreement, Land 'n Sea became the only company licensed to produce popular-priced ladies' tops and maternity tops featuring Popeye the Sailor and his many cartoon friends.

Popeye is the world's most popular cartoon character, with global syndication and over twenty continuous years on TV. His Saturday morning network TV show is rated Number One—and he'll be played by Robin "Mork & Mindy" Williams in an upcoming full-length film from Disney and Paramount. In fact, the only thing missing from the lovable spinach-gulper's success formula was Land 'n Sea's equally

famous combination of creativity and made-in-U.S.A. production expertise and responsiveness.*

But now that Popeye's all ours, he's all yours in a sparkling line of tops that tickle the funny bone—and turn the inventory in typical Land 'n Sea fashion.

To learn more about the line that's already an "inkstatoo-shun," write or call us now.

"And when yer visits our showroom, don't forgets yer can opener!"

*Land 'n Sea, First Place Discount Store News SPARC Award (Supplier Performance Award by Retail Category) Voted Number One in Ladies' Apparel by Top 100 Discount Chains.



Olive Oyl



Swee'pea



Wimpy



Bluto

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Blouses and Sportswear

Land 'n Sea
1370 Broadway
New York, NY 10018
(212) 244-1010

AUTOMOTIVE

Figures for May, supplied by Allied Accessories and Auto Parts Co., Madison Heights, Mich., cover 2,000 stores, including 1,700 discount department stores in 33 states. Average retail prices listed by the distributor reflect typical price points for discount clients.

\$ Rank Curr. List	\$ Rank Prev. List	Item	Unit Movement	Average \$ Retail	Total \$ Movement
1	—	Casite spray-lube 9 oz.	63,504	1.89	120,022.56
2	1	2-ton Hydraulic floor jack	894	69.99	62,571.06
3	—	Snowwhite Lite 'N' Easy gal.	4,356	12.99	56,584.44
4	—	BP25 Blue Poly sealant 16-oz.	4,714	9.99	47,092.86
5	75	DuPont Rain Dance paste 14 oz.	8,076	4.89	39,491.64
6	45	Coleman air compressor	855	39.89	34,105.95
7	33	Armor All 8 oz.	11,016	2.99	32,937.84

White House Reconsiders Plans To Ask Dept.-Store Price Freeze

WASHINGTON—The White House is reconsidering earlier plans to send letters requesting a price freeze to the nation's top department store and general merchandise chains.

The action had seemed certain and the only question was whether discounters would be included. But following a drop in the consumer price index, the White House decided to reconsider sending a letter from Consumer Advisor Esther Peterson to "department store-type" chains.

Peterson had recently met with representatives of a number of industry groups including the Association of General Merchandise Chains and the American Retail Federation to discuss her proposals. Earlier this year, the White House made a price-freeze request to supermarkets, drug chains and their major suppliers.

\$ Rank Curr. List	\$ Rank Prev. List	Item	Unit Movement	Average \$ Retail	Total \$ Movement
8	3	Motorcraft FL-1A oil filter	9,396	3.49	32,792.04
9	—	DuPont Rain Dance liq 16 oz	6,288	4.89	30,748.32
10	6	AC PF-25 oil filter	8,111	3.79	30,740.69
11	2	6014 HD sealed beams	8,612	3.29	28,333.48
12	14	STP oil treatment 15 oz	13,728	1.89	25,945.92
13	18	162 Auto ramp pair	1,013	24.99	25,314.87
14	9	Valvoline 10W40 oil	23,447	1.06	24,853.82
15	4	Pennzoil all-purpose 10W30 oil	21,720	1.13	24,543.60
16	15	Gumout carburetor cleaner 16 oz	12,300	1.99	24,477.00
17	10	Gumout jet spray 13 oz	9,755	2.39	23,314.45
18	60	Tam-66 undercoating	11,696	1.99	23,275.04
19	—	1001 Freon 14 oz	13,630	1.69	23,034.70
20	83	Gunk aerosol EB-1	11,997	1.89	22,674.33
21	—	POCS12 Dual air horns	642	34.99	22,463.58
22	—	Armor All 16 oz	3,478	6.39	22,224.42
23	13	Quaker State sup blend 10W30 oil	19,584	1.13	22,129.92
24	—	Westleys bleach white 20 oz	12,918	1.69	21,831.42
25	—	T-222 Sup hd shell pst/kit 14 oz	6,168	3.29	20,292.72
26	11	Warco dot brake fluid 12 oz	14,400	1.39	20,016.00
27	20	Pennzoil deluxe 10W40 oil	16,403	1.16	19,027.48
28	—	DuPont Rally 14 oz	5,400	3.29	17,766.00
29	—	8850M Freon kit	2,684	6.59	17,687.56
30	22	WD-40 aerosol 9 oz	9,611	1.79	17,203.69
31	—	Johnsons wax kit 12 oz	5,220	2.99	15,607.80
32	35	Warco dot brake fluid qt	4,211	3.59	15,117.49
33	—	VH20 Clean machine auto vacuum	528	27.99	14,778.72
34	—	2-ton Hydraulic bottle jack	1,214	11.99	14,555.86
35	—	SP1 Duro sandable primer, gray	8,577	1.69	14,495.13
36	25	Quaker State deluxe 10W40 oil	11,952	1.16	13,864.32
37	—	8112/G2 Foot pump with gauge	953	13.99	13,332.47
38	5	RR16 Roberk wiper bld refill	5,993	2.19	13,124.67
39	—	T-17 Turtle Zip liq c/wash	6,852	1.89	12,950.28
40	—	Snowwhite Lite-N-Ez qt kit	3,144	3.99	12,544.56
41	—	2-gal Gas can	3,117	3.99	12,436.83
42	27	AC R44T spark plug	9,480	1.29	12,229.20
43	36	S257 Fix-a-flat tire inflator	10,254	1.19	12,202.26
44	—	SP3 Duro sandable primer red	7,163	1.69	12,105.47
45	—	6-ton Hydraulic bottle jack	544	21.99	11,962.56
46	—	EC-15 Electric air compressor	595	19.99	11,894.05
47	63	631 3-sect antenna w/booster	1,523	7.59	11,559.57
48	68	Mopar L19 oil filter	3,204	3.59	11,502.36
49	—	MM210D quartz lite kit 2 pk	295	38.88	11,469.60
50	90	1157/1034 Auto bulbs 2 on card	12,749	0.89	11,346.61

Source: Allied Accessories & Auto Parts

Discount Store News



Plastic Sealants, Polishes in Van Of Auto Movers

By Herb Rechter

President,
Allied Accessories and
Auto Parts Company

Car polishes and plastic sealants made it back among the top best-sellers in the automotive after-market, and the tuneup and do-it-yourself equipment that dominated the chart in the colder months continued to make a strong showing.

Particularly popular on the Product Movement Audit figures for May was a two-ton hydraulic floor jack and a pair of auto ramps.

The jack, retailing for \$69.99, came in as the second highest sales item, representing volume of \$62,571, with 894 pieces moved, indicating the continued strong DIY trend.

The 9-oz. bottle of Casite Spray-lube, with 63,504 moved, selling at \$1.89, showed the greatest dollar volume, as a favorite for department promotions. A total of four polishes and sealants ranked among the 10 products with the greatest dollar movement.

Snowwhite Lite 'N' Easy, with 4,356 moved at \$12.99, ranked third—just ahead of a 16-oz. bottle of Blue Poly sealant, of which 4,714 units moved at \$9.99.

DuPont Rain Dance in the 14-oz. paste and the 16-oz. liquid also were near the top.

Exceptions to Trend

Several other car beautification items ranked high, although buyers throughout the country have said that it's been a bad year for them generally.

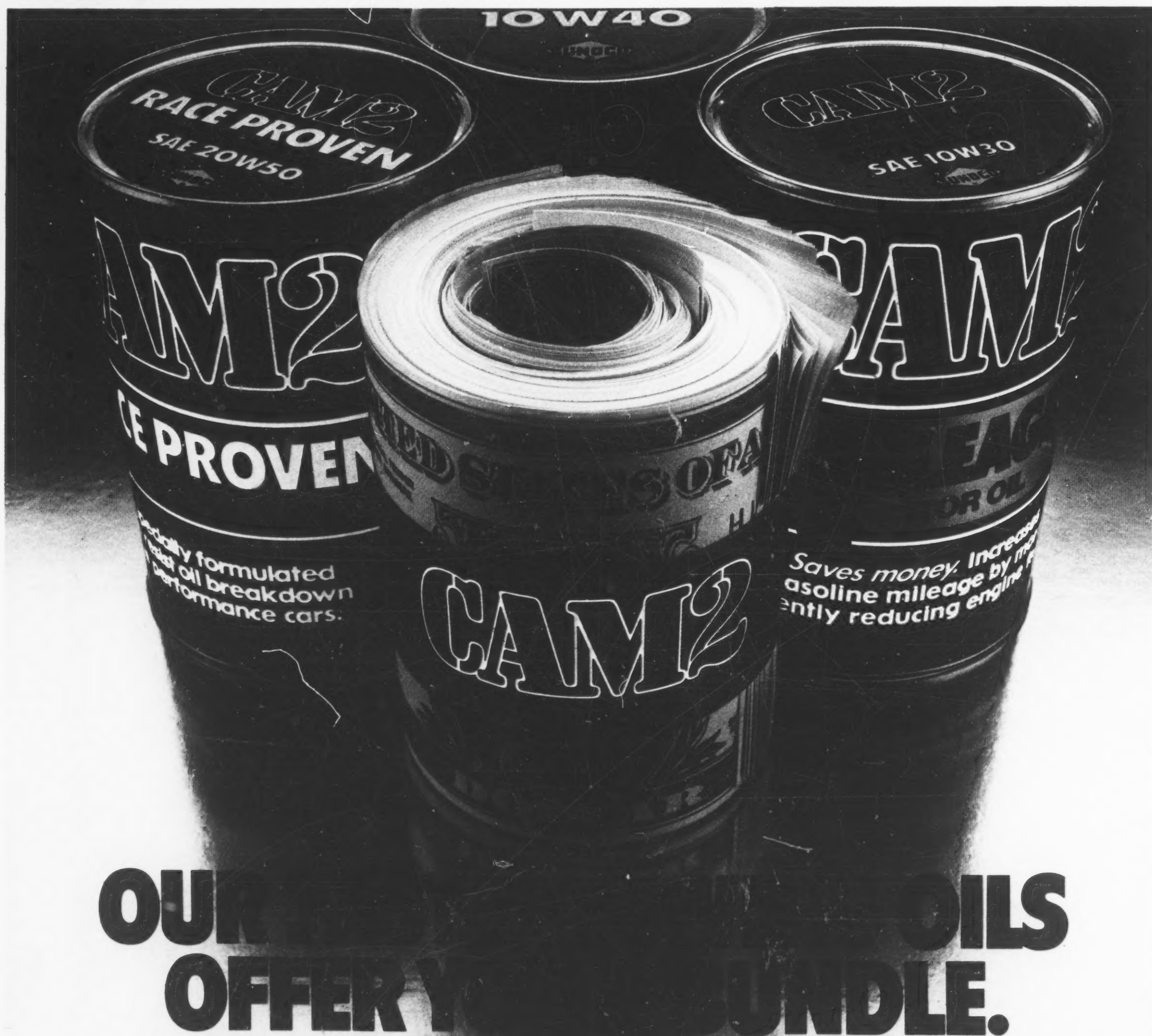
Warm weather pulled the 8-oz. bottle of Armor All into seventh place in sales—up from the 33rd spot it held during February. At \$2.99 it accounted for \$32,937 in total dollar volume.

The 16-oz. bottle of Armor All placed 22nd, with \$22,224 in sales.

A 20-oz. bottle of Westly's bleach white was also a popular item at \$1.69. It placed 24th with 12,918 units moved.

Buyers throughout the country have been reporting increasing sales of tune-up and mileage-improving parts and chemicals—particularly since the price of gas began to skyrocket last year. In keeping with the trend, Gunk aerosol jumped from 83rd to 20th in May and joined STP Oil Treatment, Gumout carburetor cleaner and Gumout Jet Spray which had been near the top of the chart even in the colder months.

The best-selling oil filter, Motorcraft's FL-1A, ranked eighth—somewhat lower than its February ranking.



CAM2® Motor Oil is selling its way to another record-breaking year in 1980. Sales should double again—for the third year straight. And, this fall we're offering you another bundle of surefire profit-builders.

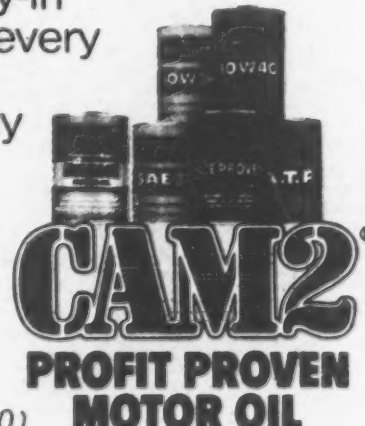
A nationally advertised special offer (good on CAM2 Mileage, Race Proven and 10W40 Motor Oils) will boost sales even higher in September and October. The offer: when your customer buys 5 quarts of CAM2, we'll send him up to \$2 back on any oil filter he buys. You sell more CAM2. And more oil filters!

A huge network radio campaign (including sponsorship of the baseball playoffs, the World Series and Monday Night Football),

and national magazines, will get the word out to DIY's in no uncertain terms—now's the time to buy CAM2.

Our terms to you will continue to be among the industry's best. A co-op advertising allowance of up to \$2 per case! And a buy-in deal that offers a free case for every six cases of CAM2 Mileage, Race Proven or 10W40 you buy in August and September. So set some motor oil sales records of your own. With CAM2. Today's fast-growing, profit proven motor oils.

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Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 19, NO. 14

Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc.

\$1.75 a copy
JULY 14, 1980

Planogramming Spreads; Cuts Staff Time, Aids Biz

Nationwide DSN Report
Planogramming, which began to take hold in the discount world in the mid-70's, has now become a way of life for most chains.

Major discounters throughout the country report that as much as 80% of their merchandise—mostly hard lines—is planogrammed. The chains that don't meet that figure say they have plans to get there within the next few years.

Hills, for example, said it plans to add a fifth full-time

planogrammer sometime next year—four more than it had in 1976. They will work with the company's five hard lines divisional merchandise managers.

Even the smaller chains have made major inroads into planogramming.

Gray Drug's Rink's, for example, plots the positions of most products in its 42 stores with detailed maps and photographs. Rink's maintains a planogram room in its Toledo warehouse.

For those most advanced in

the field—chains like Rink's, Zody's and others—the benefits have been readily apparent. Chain executives said their sales have increased, they have reached a better in-stock position and—most important of all—the employee time it takes to display new products has decreased since planogramming began.

"There's no doubt it's been an effective tool," explained a Pamida official. "We've eliminated the necessity of each manager having to discover

what works best, and, in the process, made our stores an easier place for our customers to shop."

The chains surveyed said the greatest strides seem to have been made in the planogramming of sections containing automotive parts, paints and

basic hardware items.

Soft lines and seasonal items have been largely ignored by the planogrammers, and represent the greatest challenge over the coming years.

They are the areas in which standardization of supply and
(Continued on page 120)

Inventory Reduced, Buying Reorganized

Cost Control Keys Pamida's Turnaround

OMAHA—Expense control by new management executives has been the key to Pamida's bottom-line turnaround after a checkered economic past.

It is breathing new life into the traditional chain, characteristically as slow to change as some residents in its rural markets.

The overall plan to standard-

ize stores and centralize buying and distribution, initiated under the presidency of C. Clayton Burkstrand, was slow to develop. But now the regional chain seems to have a head start on the "operations decade" of the 1980's. Evidence: Earnings on flat sales increased nearly sixfold last year, from \$528,000 to \$3,053,000, with projections for \$10 million this

year.

Pamida policies—including planogramming and using prototype stores—trickle down through new divisional vice presidents in hard and soft lines. They have helped reduce inventory on one hand and are increasing gross margins on the other.

While the loss for the first quarter just ended was \$463,000, executives noted that figure was down from the \$847,000 loss a year ago.

They point to the LIFO adjustment, without which Pamida would have shown \$6,000 on the plus side.

The figures breed optimism, but no one has forgotten the massive overstocks and interest expenses that sent profits into a downward spiral. The problem had been compounded by a negative farm economy, bad weather and unusually high shrinkage at the chain, which has 195 units in 13 Midwest states.

"We had a huge inventory of non-selling merchandise," Frank Schlosser, divisional vice president-hard lines, recalled. "For example, we had far too many clock-radios, four-cup percolators, stereos and CB's."

(Continued on page 120)



The upscale K mart apparel test, currently in place in the chain's Lodi, N.J., store and scheduled for Wayne, N.J., this month, includes such new fixture designs as the "honeycomb" rack in the foreground, with a hexagonal shape, and the "umbrella" rack in the rear (under the layaway sign), that use four gracefully curving waterfalls for display of packaged underwear. (DSN photo)

K mart Widens Its Apparel Test, Boosts Selected Electrics Prices

TROY, Mich.—K mart is expanding the test of its upscale ladies' apparel department.

It is also boosting the prices of its new stepped-up budget electrics mix and line of La Collection Fleurs kitchen electrics. (See earlier story, p. 25)

The discounter this month will install the experimental ladies' apparel section in its Wayne, N.J., store. The department was unveiled last month in K mart's Lodi, N.J.,

unit. (See DSN, June 30, p.1.)

K mart earlier this year added a stepped-up budget electrics assortment of five items, each tagged at \$16.97, but at presstime stores were receiving a new price list boosting these items to \$17.97.

On La Collection Fleurs, a recently added line of controlled-brand kitchen electrics, tags went up about \$2 for three items—a can opener/sharpener
(Continued on page 120)

Pamida 5-Year Summary of Operations

Years ended Jan. 31 (Add 000)

	1976	1977	1978	1979	1980
Revenues	\$241,579	\$273,111	\$294,967	\$318,833	\$333,463
Gross Margin	25.5%	23.0%	24.9%	21.6%	23.9%
Pretax Earnings	\$14,854	\$4,913	\$11,412	\$406	\$5,897
Net earnings	\$7,563	\$2,773	\$5,783	\$528	\$3,053

Source: Pamida

Better expense controls helped Pamida to net earnings of \$3,053,000 for the fiscal year ended Jan. 31, 1980, up 478% from \$528,000 in the prior year. Sales were up 4.6% to \$333,463,000.

How Presidential Candidates Stand on 10 Retail Issues

By Ken Rankin
Special Election Report

[Lebhar-Friedman, parent of Discount Store News, has prepared a special election report (pp. 89-92) which details responses by each of the four major Presidential candidates to 10 critical retail issues. A nationwide poll of 400 leading executives was followed by personal interviews with each of the candidates.]

No matter which of the major Presidential hopefuls goes on to the White House, the next President will be sympathetic to some of the retail industry's most pressing concerns—and not at all sympathetic to others.

Predictably, President Carter, Governor Reagan, Sen. Edward Kennedy and Rep. John Anderson each expressed strong commitments to deal with the problems of inflation and energy shortages on a top priority basis.

All four also voiced support for loosening international trade barriers despite rising protectionist sentiment among

powerful labor unions and manufacturing industries.

And, each of the candidates acknowledged the legitimate concerns of retailers regarding excessive regulation.

But there were clear differences separating the candidates on a number of retailing's key concerns.

On the issue of possible new mandatory Federal wage and price controls—an anti-inflation "remedy" almost universally opposed by business—Reagan came down squarely against such economic restraints, while Kennedy voiced
(Continued on page 117)

Korvettes Restructures \$55M Debt

NEW YORK—Korvettes, in its ongoing struggle to remain afloat, has restructured \$55 million in debt with the aid of its parent company, Agache-Willot and formulated a new credit card agreement with Citicorp Financial Inc.

Korvettes also announced, as previously reported by DSN, that it will move corporate headquarters from its midtown location here to available space in the Herald Square store. The move will help the chain to cut operating costs.

The new financial game plan came on the heels of the recent termination of 2,000 employees and rumors that the chain would close as many as 18 of its 36 remaining stores within the

next few months. In the last nine months Korvettes has closed 13 stores and laid off 3,000 workers, thus reducing its operations to the Metropolitan New York, Greater Washington, D.C., Detroit and Philadelphia markets.

The debt restructuring calls for the immediate repayment of \$11 million—with funds supplied by Agache-Willot. A second payment of \$3.5 million will follow on Dec. 31, 1981; a third payment of \$8.25 million falls due Dec. 31, 1985, with interest. Korvettes has given lenders the right to share in the chain's income through Dec. 31, 1987.

In addition to the \$8.25 million loan repayment, Agache-

Willot has agreed to give its troubled chain an undisclosed amount of cash "to support its inventory requirements over the next several months," according to Joseph A. Ris, Korvettes' new chairman.

The new credit card agreement will allow Korvettes to continue using its present card at reduced cost. In connection with this agreement, Agache-Willot has agreed to arrange for the immediate repayment of approximately \$3 million and to follow that with an additional payment of \$1.5 million.

In March of this year, the financing institution had announced it was cutting off credit to 14,000 credit card holders who had low credit limits.

Layaway Plans Gain Popularity, to Get Bigger Push

Nationwide DSN Report
The downturn in the economy is turning layaway plans—traditionally just a convenience to shoppers—into a valuable tool for a growing number of discount chains.

The number of persons buying on layaway began to increase late last year and, say discounters, really began to soar several months back when

President Carter announced a tightening of personal credit.

Major discounters such as Woolco and King's have already reported substantial increases in the number of layaway purchases and several Midwest discounters said they plan a major push for this fall to cash in even further on the promising new trend.

"We've just been doing fan-

tastic," explained a Woolco executive. "Things have really been starting to peak."

Exact statistics, however, will not be available for most discounters for several months.

For those who have already evaluated the new trend, the additional sales brought in by layaway plans more than outweigh the cost of storing goods.

Spokesmen for ShopKo and

Ayr-Way were among those who said they planned to make a major new push for layaway business this fall.

"With the tightness of the dollar this is a real opportunity," explained Harold Johnson, a ShopKo vice president, "We're promoting layaway more heavily than before."

Johnson agreed costs were higher for storing merchandise but, he explained: "This is a merchandising tool and there is an expense to any merchandising tool."

ShopKo, which requires 10% down to hold an item for up to 30 days, reported the increase started late last year when a

record 4,000 items had to be held for up to 30 days.

At King's, the increase was first noticed last fall, shortly after the chain decided to carry an expanded line of Christmas toys despite the deteriorating economy.

A King's official said, though, that the purchase of toys wasn't the only benefit of the layaway plan.

Low discounter prices, combined with the prospect of making an interest-free time purchase, was drawing business from the apparel section of many department stores.

"We were getting people who

(Continued on page 15)

Substantial Sales Rise Seen

Woolco Skeds 30 U.S. Openings in 1980

HOUSTON—High inflation and tight credit are taking their toll, but the F. W. Woolworth Company predicts that Woolco, the nation's second-largest discount chain, will finish the year with sizable gains both in sales and store numbers.

By January a total of 45 new Woolco stores will be opened worldwide—30 of them in the United States—and sales, up by 10.8% in 1979, should again rise substantially.

In addition, J. Brannam, Woolworth's brand-name ap-

parel chain venture, is expected to double in size by August with the addition of 15 new stores, and double again in 1981 with the opening of 30 more.

The optimistic predictions were made before an estimated 500 stockholders attending Woolworth's annual meeting here.

Richard L. Anderson, Woolworth president and chief operating officer, said 1980 is expected to be a good year for the other Woolworth divisions as well, with overall sales being at least 8% over the \$6.78 billion recorded in 1979.

Anderson said a substantial amount of the gains in Woolco's operations will result from the shrinking of 33 oversized stores in the Southwest, and by the planned takeover of all leased departments.

"No longer will there be semiautonomous licensees in Woolco," Anderson said. "A single management voice will be directing total store presentation, promotion and merchandising value."

All Rockower men's wear departments will be taken over by the chain sometime in August, he said.

The next takeover step will come in 1981 when Kinney Shoes, a Woolworth subsidiary, assumes control of half of the shoe departments in Woolco stores. By 1982 the takeover of shoe departments will be complete.

Control in buying women's and children's apparel will be assumed from Apparel Buying Associates in January. By mid-1982 the company will begin operating its auto departments, currently run by Ameron.

Anderson said some of the 33 stores that have already been reduced in size have shown "dramatic" increases in sales.

(Continued on page 15)



Richard L. Anderson, Woolworth's president and chief operating officer, tells stockholders good news while Edward F. Gibbons, chairman of the board and CEO, amends his speech. (DSN photo)

Bennett to Sell 800,000 Shares In Caldor For \$17.6 Million

NORWALK, Conn.—Carl Bennett, chairman and president of Caldor, plans to sell 800,000 shares in the firm for \$17.6 million in early July.

According to one source, the purpose of the proposed sale is to diversify Bennett's personal investments. None of the proceeds will be received by Caldor and there will be no dilution in earnings per share.

The offering represents 30% of the shares currently owned by Carl and Dorothy Bennett and family trusts, and will diminish their holdings of outstanding common stock from 32% to 22%.

'Satisfaction-Guaranteed' Claims By Biggies Draw FTC Probe

WASHINGTON—Korvettes, Sears, and Ward are among at least half a dozen discount and general merchandise retailers under investigation by the Federal Trade Commission (FTC) for allegedly failing to live up to "satisfaction guaranteed" advertising claims.

The massive, nonpublic investigation was revealed after the three firms filed motions to quash the FTC's orders for information. The commission has asked for potentially thousands of documents relating to refunds and other practices of the chains.

The FTC's involvement in investigating "satisfaction guaranteed" claims dates back about eight years when it asked Ward and other retailers for information regarding such claims in catalogs.

Lawyers for Korvettes have informed the FTC that the "satisfaction guaranteed" policy was discontinued by the new owners in 1979 and is "no longer being used by Korvettes in the stores or advertising." Korvettes further told the agency that "as a consequence," it "has changed from a department

(Continued on page 14)

In This Issue . . .

SPOTLIGHT ON HOUSEWARES. Buyers heading to the semiannual housewares shows are saying 1980 is the year for lower-priced basics—and that they'll shop accordingly. DSN takes a closer look at discounter housewares departments in this special section. (Pp. 25-101)

ELECTRICS STRENGTH. Small appliances continue to hold between 26% and 30% of manufacturers' total housewares sales, remaining big sellers despite an uncertain economy. A special DSN section begins on page 40.

MARK AND CONTROL. DSN'S Discounter Management Development Series focuses on getting maximum use of merchandise price tags. Too much information (for a given system)

wastes time and money. Too little info robs a retailer of critical information. (P. 17)

COMBO MOMBO. Food Marketing Institute consultant Allen "Bud" Levis talks with DSN on the market positioning of combination food and drug (combo) stores in the 1980's. (P. 13)

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Spotlight on: Gourmet Cookware

Jefferson Gets It All Together

THE NEW LOOK. Jefferson's new gourmet cookware department, The Creative Kitchen, will be as important a component in all future units as it is here in Hallandale, Fla. Forty per cent of the items on display in this 800-sq.-ft. shop-within-a-shop are new to the chain; the rest (staple items) have been culled from the existing housewares department.

The department, featuring top-of-the-line cooking implements, puts heavy emphasis on the fashion side of housewares, color coordinating accessories (towels, linens and gadgets) and pots, pans and dishes.

(DSN photo)



DISCOUNT STORE NEWS

(USPS 123-910, 123-890, 123-870, 109-230; ISSN 0012-3587), is published biweekly—every other Monday, monthly in December—by Lebar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Subscription rates: Retailers and wholesalers—one year, \$5.50; two years, \$8.50; three years, \$10.50. Canada: one year, \$6.50; two years, \$10.50; three years, \$13.50. Manufacturers, schools, libraries and all others—one year, \$12; Canada: one year, \$13; All subscribers elsewhere, \$35 a year. Single copy rate, \$1.75, except annual census issue, \$20.

Controlled circulation postage paid at New York, N.Y.; Boston, Mass.; Chicago, Ill.; and at Los Angeles, Calif.

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Vol. 19, No. 14 July 14, 1980